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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 15, 2001

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. BFI010070

Ex Parte: In re Powers delegated
to the Commissioner of Financial
Institutions

ORDER TO TAKE NOTICE

WHEREAS § 12.1-16 of the Code of Virginia provides, among other things, for delegation by the State Corporation Commission ("Commission") to the Commissioner of Financial Institutions ("Commissioner") of its duties under certain laws; and

WHEREAS the Commission has previously delegated various powers and duties to the Commissioner pursuant to this statute, which delegations currently appear in the Virginia Administrative Code at 10 VAC 5-10-10; and

WHEREAS the Commission now proposes to delegate certain additional authority to the Commissioner in order to promote the efficient administration of Title 6.1 of the Code of Virginia;

IT IS THEREFORE ORDERED THAT:

(1) The proposed amended regulation entitled "Powers Delegated to Commissioner of Financial Institutions" is appended hereto and made part of the record herein.

(2) On or before June 11, 2001, any person desiring to comment upon the proposed amended regulation shall file written comments containing a reference to Case No. BFI010070 with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

(3) The proposed amended regulation shall be posted on the Commission's website at <http://www.state.va.us/scc>.

(4) AN ATTESTED COPY hereof, together with a copy of the proposed amended regulation, shall be sent to the Registrar of Regulations for publication in the Virginia Register.

10 VAC 5-10-10. Powers delegated to Commissioner of Financial Institutions.

A. The State Corporation Commission has delegated to the Commissioner of Financial Institutions the authority to exercise its powers and to act for it in the following matters:

1. To grant or deny petitions relating to service by an individual as a director of more than one financial institution. (§ 6.1-2.7 of the Code of Virginia.)

2. To grant a certificate of authority to a bank formed for the purpose of its being acquired under the provisions of Chapter 14 (§ 6.1-390 et seq.) of Title 6.1 of the Code of Virginia, or for the purpose of facilitating the consolidation of banks or the acquisition by merger of a bank pursuant to any provision of Title 6.1 of the Code of Virginia. (§§ 6.1-13 and 6.1-43 of the Code of Virginia.)

3. To grant or deny authority to a bank, or to a trust subsidiary, to engage in the trust business or exercise trust powers. (§§ 6.1-16 and 6.1-32.5 of the Code of Virginia.)

4. To approve an office of a trust subsidiary; to authorize a trust company to establish an additional office; to authorize a state bank or trust company to establish or acquire a trust office in another state; and to deny an application by a

state bank to establish a branch or relocate an authorized office in Virginia. (§§ 6.1-32.6, 6.1-32.21, 6.1-32.33 and 6.1-39.3 of the Code of Virginia) To approve the establishment, acquisition, maintenance, and operation of branches of state banks in states other than Virginia. (§§ 6.1-44.3 and 6.1-44.17 of the Code of Virginia.)

5. To permit a state bank to operate or advertise a branch office under a name that is not identical to the bank's own name. (§ 6.1-41 of the Code of Virginia.)

6. To object to an application or notice by an out-of-state trust institution or an out-of-state bank to establish or acquire a trust office or branch in Virginia, upon finding that the filing requirements and the conditions for approval prescribed by law are not fulfilled. (§§ 6.1-32.38 and 6.1-32.39; 6.1-44.6 and 6.1-44.7; 6.1-44.19 and 6.1-44.20 of the Code of Virginia.)

7. To grant approval for directors' meetings of a bank or trust company to be held less frequently than monthly. (§ 6.1-52 of the Code of Virginia; 10 VAC 5-22-20.)

8. To grant approval for the investing of more than 50% of the aggregate amount of a bank's capital stock, surplus, and undivided profits in its bank building and premises; and to permit the payment of dividends while such investment exceeds

50% of capital, surplus, and undivided profits. (§ 6.1-57 of the Code of Virginia.)

9. To consent to a bank's investment in more than one service corporation. (§ 6.1-58 of the Code of Virginia.)

10. To give permission for the aggregate investment of more than 50% of a bank's capital stock and permanent surplus in the stock, securities, or obligations of controlled-subsidiary and bank service corporations. (§ 6.1-58.1 of the Code of Virginia.)

11. To give written consent and approval for a bank to hold the possession of certain real estate for a longer period than 10 years. (Subdivision 4 of § 6.1-59 of the Code of Virginia.)

12. To approve the issuance by a bank of capital notes and debentures, so that such notes and debentures may qualify as surplus for the purpose of calculating the legal lending limit of a bank. (§ 6.1-61 of the Code of Virginia.)

13. To give written approval in advance for a bank or trust company to pledge its assets as security for certain temporary purposes. (§ 6.1-80 of the Code of Virginia.)

14. To require any bank to prepare and submit such reports and material as he may deem necessary to protect and

promote the public interest. (§ 6.1-93 of the Code of Virginia.)

15. To approve the issuance of stock in a savings institution in exchange for property or services valued at an amount not less than the aggregate value of the shares issued. (§§ 6.1-194.11 and 6.1-194.113 of the Code of Virginia.)

16. To reduce temporarily the reserve requirements for a savings institution upon a finding that such reduction is in the best interest of the institution and its members. (§ 6.1-194.23 of the Code of Virginia.)

17. To grant a certificate of authority to a savings institution formed solely for the purpose of facilitating the merger or acquisition of savings institutions pursuant to any provision of Title 6.1 of the Code of Virginia.

18. To grant or deny authority to a state association, a state savings bank or a foreign savings institution to establish a branch office, or other office or facility where deposits are accepted (§§ 6.1-194.26 and 6.1-194.119 of the Code of Virginia), or to change the location of a main or branch office. (§§ 6.1-194.28 and 6.1-194.121 of the Code of Virginia.)

19. To cause a special examination of a savings institution to be made. (§ 6.1-194.84:1 of the Code of Virginia.)

20. To grant or deny authority to a savings institution to exercise fiduciary powers. (§§ 6.1-195.77 et seq. and 6.1-194.138 of the Code of Virginia.)

21. To grant or deny approval to a credit union to maintain a service facility or office (other than a main office). (§ 6.1-225.20 of the Code of Virginia.)

22. To make such findings as are required by §§ 6.1-225.23 and 6.1-225.23:1 of the Code of Virginia relating to fields of membership of credit unions and the expansion of such fields of membership.

23. To approve the investment of credit union funds in certain stock, securities and other obligations. (Subdivision 8 of § 6.1-225.57 of the Code of Virginia.)

24. To grant or deny authority to an industrial loan association to relocate its office. (§ 6.1-233 of the Code of Virginia.)

25. To grant or deny licenses pursuant to Chapter 6 (§ 6.1-244 et seq.) of Title 6.1 of the Code of Virginia. (§ 6.1-256.1 of the Code of Virginia.)

26. To grant or deny licenses to engage in the business of selling money orders or the business of money transmission, or both, and approve or disapprove acquisitions of ownership

interests in licensees. (§§ 6.1-371 and 6.1-378.2 of the Code of Virginia.)

27. To grant or deny licenses to operate non-profit debt counseling agencies. (§ 6.1-363.1 of the Code of Virginia.)

28. To grant or deny licenses to engage in business as a mortgage lender and/or mortgage broker, and prescribe conditions under which exclusive agents of licensees may act as mortgage brokers without a license and approve or disapprove individuals as qualified exclusive agents of licensees. (§§ 6.1-410 and 6.1-415 of the Code of Virginia.)

29. To grant or deny permission to a mortgage lender or mortgage broker licensee to relocate an office or open an additional office and approve or disapprove acquisitions of ownership interests in licensees. (§§ 6.1-416 and 6.1-416.1 of the Code of Virginia.)

30. To enter into cooperative agreements with appropriate regulatory authorities for the examination of out-of-state bank holding companies and their subsidiaries and out-of-state savings institution holding companies and their subsidiaries and for the accomplishment of other duties imposed on the Commission by Article 11 (§ 6.1-194.96 et seq.) of Chapter 3.01 and by Chapter 15 (§ 6.1-398 et seq.) of Title 6.1 of the Code of Virginia.

31. To prescribe the form and content of all applications, documents, undertakings, papers, and information required to be submitted to the Commission under Title 6.1 of the Code of Virginia.

32. To make all investigations and examinations, give all notices, and shorten, waive, or extend any time period within which any action of the commission must or may be taken or performed under Title 6.1 of the Code of Virginia.

B. In the performance of the duties hereby delegated to him, the Commissioner shall have the power and authority to make all findings and determinations permitted or required by law.

C. The foregoing delegations of authority shall be effective until revoked by order of the commission. All actions taken by the Commissioner of Financial Institutions pursuant to the authority granted here are subject to review by the commission in accordance with the Rules of Practice and Procedure of the State Corporation Commission. Each delegation set forth in a numbered subdivision of section A shall be severable from all others.